Transportation/Hazardous Materials: Pipeline and Hazardous Materials Safety Administration Addresses Definitions of Service Line and Operator



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The Pipeline and Hazardous Materials Safety Administration ("PHMSA") provided guidance in a September 1st letter regarding the Hazardous Materials Regulations ("HMR") definitions of "service line" and "operator."

PHMSA was responding to a January 29th letter from Ms. Stephanie M. Wimer, Senior Prosecutor, Pennsylvania Public Utility Commission ("PPUC").

PPUC's Bureau of Investigation and Enforcement ("I&E") indicated it was investigating a natural gas explosion. The suspected cause of the explosion was stated to be a leak on a consumer-owned line connected to an unregulated well pad production pipeline. The leak was stated to be upstream of the outlet of the meter.

I&E stated that it sought to determine whether the portion of the consumer-owned line that experienced the leak met the definition of "service line" found in 49 CFR § 192.3. It also asked whether the producer was the operator of the portion of the line.

The January 29th I&E letter provided detailed information regarding the configuration of two houses and associated lines. This discussion can be found in the January 29th letter which is linked here.

PPUC posed three questions.

First, PPUC asked whether the House B line from the split at the tap to the outlet of the relocated House B meter is a service line pursuant to 49 CFR § 192.3.

PHMSA reiterated that a service line is any distribution line that transports gas from a common source of supply to an individual customer through a meter header or manifold. It also indicated that under certain circumstances, a service line may also be referred to as a "farm tap."

A farm tap is the common name for a pipeline directly connected to a gas transmission, production, or gathering pipeline that provides gas to a customer. It is also indicated that on a farm tap the "source" piping ends and the service line begins at the first accessible point where the downstream service line can be isolated from the source piping.

PHMSA notes that in the PPUC scenario the point appears to be the shut-off valve downstream of the tap. The service line ends at the outlet of the customer meter or at the connection to a customer's pipeline, whichever is further downstream, or at the connection to customer's piping if there is no meter. The House B line is stated to transport gas from the production line to the customer. Therefore, the service line is stated to end at the outlet of the meter, or the connection to customer-owned piping, whichever is further downstream. It is noted that:

Since the outlet of the meter is further downstream than the connection to customer owned piping, the service line would end at the outlet of the relocated meter.

Second, PPUC asked whether the lease agreement (which provides that the operator is responsible for the meter and House B is responsible for the regulator and all other piping from the production line tap valve) impacts the determination of whether the line is a service line.

PHMSA responds in the negative, stating:

The private lease agreement does not impact the determination of whether the line is a service line under 49 CFR § 192.3.

Third, PPUC asks whether, because of the above-described configuration, the producer is an "operator" as defined in 49 CFR § 192.3.

PHMSA responds in the affirmative, noting that:

An "operator" is a person who engages in the transportation of gas, which includes the distribution of gas by pipeline in or affecting interstate commerce . . .

The information provided by PPUC is stated to indicate that the producer provided natural gas from its production line to the consumers which was measured by the producer-owned customer meter. It is further noted that production lines are not regulated. However, 49 CFR Parts 191 and 192 are stated to apply to distribution lines regardless of whether the "common source of supply" is a regulated line.

PHMSA states:

Therefore, because the producer is engaged in the transportation of natural gas via a regulated service pipeline, it is an operator under 49 CFR Parts 191 and 192 and must comply with all applicable requirements contained therein on the "service line" defined in the Response to question 1.

A copy of the PHMSA letter can be downloaded here.